



**STAFF REPORT
ACTION REQUIRED
With Confidential Attachment**

Bike Share Program Strategy – Final Agreement Terms

Date:	November 11, 2013
To:	City Council
From:	General Manager, Transportation Services
Wards:	All
Reason for Confidential Information	This report involves the security of property belonging to the City or one of its agencies, boards and commissions
Reference Number:	P:\2013\Cluster B\TRA\TIM\ex13015tim

SUMMARY

At its meeting of October 30, 2013, Executive Committee considered the report (October 15, 2013) of the General Manager, Transportation Services entitled "Strategy for Continuing Toronto's Bike Share Program" and requested that the General Manager, Transportation Services, in conjunction with outside legal counsel, to continue discussions with BIXI Toronto, and submit a report directly to the November 13 and 14, 2013 meeting of City Council on any recommended changes to the arrangement as contained in the confidential attachment to the report (October 15, 2013) from the General Manager, Transportation Services.

Pursuant to the direction from Executive Committee, City staff has been working closely with BIXI Toronto Inc. and its parent company, Public Bicycle System Company (PBSC) to come up with a final set of terms for consideration by City Council.

The Confidential Attachment to this report contains revised recommendations for consideration by City Council to continue Toronto's bike share program and protect the City's financial interest.

RECOMMENDATIONS

The General Manager, Transportation Services recommends that:

1. The confidential recommendations as contained in the Confidential Attachment to the report (October 15, 2013) of the General Manager, Transportation Services be deleted, and that City Council adopt the revised confidential recommendations as contained in the Confidential Attachment to this report; and
2. City Council authorize the public release of the recommendations contained in the Confidential Attachment once adopted by Council, and that the balance of the Confidential Attachment to the report (November 11, 2013) from the General Manager, Transportation Services, remain confidential as it contains information which pertains to the security of the property of the City and its local boards.

Financial Impact

The financial impact of the revised recommendations is set out in the Confidential Attachment to this report.

The Deputy City Manager and Chief Financial Officer has reviewed this report and concurs with the financial impact information.

DECISION HISTORY

Executive Committee, on April 23, 2013, considered a staff report and confidential attachment, titled: *Restructuring the Relationship with BIXI Toronto Inc.* (EX31.13) and provided confidential instructions to staff.

A subsequent Request for Information (RFI No. 9101-13-7145) was issued by the City to invite all qualified respondents to assist the City and BIXI Toronto Inc. to determine the possible options for the assumption of ownership, operations and delivery of the program by a third party and the most appropriate business model for continuing Toronto's bike share program.

Transportation Services submitted a report on the results of the RFI, titled *BIXI Toronto – Next Steps* (EX33.19), to the July 3, 2013 meeting of the Executive Committee. The Committee referred the matter to the Deputy City Manager, Cluster B, with confidential instructions.

At its meeting of October 30, 2013, Executive Committee considered the report (October 15, 2013) of the General Manager, Transportation Services and requested that the General Manager, Transportation Services, in conjunction with outside legal counsel, to

continue discussions with BIXI Toronto, and submit a report directly to the November 13 and 14, 2013 meeting of City Council on any recommended changes to the arrangement as contained in the confidential attachment to the report (October 15, 2013) from the General Manager, Transportation Services.

ISSUE BACKGROUND

The City entered into a 10-year Agreement with BIXI Toronto Inc. to implement Toronto's BIXI bike share program in 2011. From an operational perspective the BIXI program has been successful; however, BIXI Toronto's business plan has not achieved its financial projections and as a result BIXI Toronto is experiencing financial difficulty.

COMMENTS

Pursuant to the direction given by Executive Committee on October 30, 2013, City staff has been working closely with BIXI Toronto Inc. and its parent company, Public Bicycle System Company (PBSC) to obtain further financial information and finalize the proposed terms for assuming the operation and transferring ownership of the assets.

The Confidential Attachment to this report contains the recommended revised terms and a set of revised recommendations for consideration by City Council.

CONTACT

Daniel Egan, Manager, Cycling Infrastructure and Program, Transportation Services Division, 416-392-9065, degan@toronto.ca

SIGNATURE

Stephen Buckley
General Manager, Transportation Services

ATTACHMENT 1 – Confidential Information